

Bishop Monkton Parish Council Statement of Internal Control

Scope of Responsibility

Bishop Monkton Parish Council (the Council) is a local authority funded by public money and is responsible for ensuring its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, used economically, efficiently and effectively.

In meeting this responsibility assurance is required that there is a sound system of internal control and that the Council's accountability framework is 'risk' based; proportionate to that risk and to the amounts of public money involved and to the stakeholders' need for assurance.

The Purpose of the System of Internal Control.

The system of internal control is designed to ensure that risks are managed to a reasonable and acceptable level forming part of an ongoing process designed to identify and prioritise the risks to the authority's policies, aims and objectives and to evaluate and manage those risks accordingly.

The Internal Control Environment

The Council:

- Appoints a Chairman to be responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful with the clerk's advice.
- Reviews its obligations and objectives and approves budgets for the following year at its January meeting. This meeting also approves the level of precept for the following financial year.
- Meets 12 times each year and monitors progress against its aims and objectives.

The Council Clerk to the Council/Responsible Financial Officer:

- is appointed by the Council to act as the Council's advisor and administrator
- is the Council's Responsible Financial Officer and is responsible for administering the council's finances
- is responsible for the day to day compliance with laws and regulations that the Council is subject to and for managing risks
- ensures that the council's procedures, control system and policies are adhered to.
- a Staffing Committee has been formed which meets annually with the Clerk.

Payroll Controls:

- The clerk has a contract of employment with clear terms and conditions.
- Salary paid to agree with that approved by the Council.
- PAYE is being properly operated by the Council as an employer and monthly submission are made to HMRC under Real Time.

Payments:

Payments are reported to the Council for approval, a cheque is prepared and is signed by 2 councillors (who also sign the relevant invoice and the counterfoil) or approve the bank transfer to be made.

Invoices with a total of up to £50 shall be paid prior to a meeting after every councillor has authorised the payment via email to the Clerk.

Income

All income is banked in the Council's name in a timely manner and reported to the Council. Cash received is done so by the Chairman who presents it to the Clerk. A receipt book is countersigned.

Risk Assessments (Risk Management)

Assessments are carried out in respect of actions, systems and controls are regularly reviewed.

The Internal Audit

The audit is carried out by an independent Internal Auditor who reports to the Council on the adequacy of its records, procedures, systems, internal controls, regulations and risk management reviews.

Standing Orders

The Council has adopted the Model Standing Orders as recommended by N.A.L.C.

VAT

VAT payments are identified, recorded and reclaimed at least annually.

Petty Cash

There is a limited amount of petty cash. Any transactions are recorded in the cash book and presented as a Schedule of Payments at the meetings. Any amount received over £50 is banked automatically.

Asset Register

The Council maintains a register of all material assets owned or in its care. The Clerk updates the register as and when necessary and it is approved annually.

Insurance

The Council's insurance provision is reviewed annually both in relation to its schedule of cover and also its value for money.

Code of Conduct

Each members must sign Acceptance of the Code and complete a Register of Interest form. Members to consider every items on the agenda and ensure that any interest is declared at the beginning of the meeting or before the matter is discussed. An item 'Declarations of Interest' will be placed on every agenda.

Review of Effectiveness

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of:

- The Council
- The Clerk/RFO who has responsibility for the design and maintenance of the internal control environment and managing risk
- The independent Internal Auditor who reviews the Council's systems of internal control
- The Council's External Auditors who make the final check using the Annual Return, a form completed and signed by the RFO, the Chairman and Internal Auditor

Reviewed date May 2019

Review date Dec 2022